GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

General Administration Department – Establishment of Economic Development Board – Orders – Issued.

GENERAL ADMINISTRATION (SC.B) DEPARTMENT
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G.O.MS.No. 87 Dated: 17-03-2016

ORDER:

The Government of Andhra Pradesh has a vision to develop the state to be among the three best states of India by 2022, the foremost state in the country by 2029 and a global destination by 2050, with the overall aim of promoting inclusive growth, social well being and the happiness index. To achieve this vision, the state has to promote accelerated economic development.

The state seeks to achieve double digit growth over a sustained period of time through well planned structural shift of economy to industrial and services sector, which requires considerable investments in various sectors of the urban and rural economy, in particular, the industrial and infrastructural sectors of economy. The fast paced growth in urbanization also requires considerable investment in the urban infrastructure and services for enhancing the value proposition of the cities and towns. In addition, the development of the new Greenfield capital city of Amaravati requires significant investments. The rapid development of rural economy will need sustained interventions to promote the agro based industry in the state.

For achieving the desired goals of all round economic growth and employment generation, a globally competitive investment climate, capable of quickly responding to fast changing global economic and technological scenario, need to be established in the state. Towards these ends, the Government, after careful consideration, have decided to establish the Economic Development Board, for strategic investment planning and promotion, to act as a single point of contact for investments, promote inter-departmental coordination, project facilitation and appraisal, engagement with national and international investors, funds and Governments, setting up of Special Purpose Vehicles, venture funds, mobilizing funds for major projects, entrepreneurship, start-up culture and skill development and for other areas of economic significance. It shall also function as a platform for thematic research, for studying futuristic trends of growth and modeling of various schemes for balanced inclusive growth.

Accordingly, the Government hereby order for establishment of Economic Development Board. The detailed strategy, objectives and functions of the Economic Development Board, as they have evolved, are enclosed in the Annexure appended to this order.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SATYA PRAKASH TUCKER
CHIEF SECRETARY TO GOVERNMENT

To
All the Departments of Secretariat.

(P.T.O.)

All Special Chief Secretaries / Principal Secretaries / Secretaries to Government
All the Heads of Departments.
All the Collectors & District Magistrates of the State.
Copy to:
The Account General (A&E) of Andhra Pradesh, Hyderabad
The Principal Auditor General of Andhra Pradesh, Hyderabad
All District Treasury Officers of the State.
The Pay and Account Officers, Andhra Pradesh, Hyderabad
The Director of Treasuries & Accounts, Andhra Pradesh, Hyderabad
The Chairman and Managing Director, Andhra Bank, Hyderabad
The Managing Director, State Bank of Hyderabad, Hyderabad
The Chief General Manager of State Bank of India, Hyderabad
The Chief General Manager, RBI, Regional Office, Hyderabad
The Chief General Manager, NABARD, Hyderabad.

//FORWARDED: BY ORDER//

SECTION OFFICER (SC)

ANNEXURE

(Annexure to G.O. Ms. No. 87, G.A. (SC.B) Dept., dt. 17-03-2016)

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The vision of Government is to place Andhra Pradesh amongst the top three States in the country in terms of per capita income by 2022 and the topmost State by 2029 in terms of all economic and human development indicators. As part of the developmental process, the State is required to build a new capital city, strengthen and expand infrastructure, accelerate and increase investment in industry, information technology, energy, tourism, etc., harness all avenues of economic opportunities, skill the workforce, create employment, reduce inequities, improve the quality of education, health and other public services and strengthen social capital. Accordingly the Government has put in place a people-centred, inclusive development strategy by launching seven Development Missions, five Grids and five campaigns, in order to create broad based prosperity. In addition, the Government's goal is to eliminate rural and urban poverty, universalise education and provide quality health care in the near future. Translating the vision into concrete reality requires major investments in infrastructure, industry, information technology, agriculture and social sectors, etc.

2. In this endeavour, the Government plans to craft comprehensive and integrated strategies, design policies and programmes that would ensure sustainable, accelerated and inclusive development. It seeks to mobilise the resources required for a major boost in investment through innovative fund raising methods, win-win public-private partnerships, accessing finance from international development institutions, etc. The Government's effort is to eliminate the proverbial red tape, ensure effective coordination across the departments, institutions, and individual decision makers. In this context, the Government intends to establish a robust institutional mechanism that would create pro-growth, pro-investment ecosystem based on the principles of good governance.

3. The government is cognisant of the fact that the 'business-as-usual' approach will not be sufficient to reach the above stated goals. Therefore, it would require a well coordinated multi-track development strategy, in which the engines that generate economic growth are closely coordinated and placed on a collaborative framework *paripassu* with reforms in governance, public financial management reform, human development, skill generation, comprehensive social security, and a boost to all sectors of the economy combined with effective monitoring and evaluation systems and timely intervention mechanisms.

4. In consonance with the new strategic approach of the Government for accelerated and inclusive growth, the government has recognised the need for a coordinated action on the following fronts:

(i) Comprehensive Strategy for Development duly integrating infrastructure, industry with human capital and appropriate technologies

5. This would entail undertaking strategic analysis of national and global growth trends and identifying strategies for creation and management of a sustainable high growth trajectory. These strategies would cut across multiple departments and sectors and be aimed at creating the ecosystem that would attract local, national and global investments and improving the competitiveness of industry in the State, as well as maximising returns from the infrastructure – industrial corridors, growth nodes, industrial estates, special economic zones, capital city etc. This coordinated approach is expected to drastically improve the levels of efficiency, by identifying weak links, gaps and by leveraging technologies and best in class practices and thereby increase the rates of return on investments and sharply improve the overall productivity of the economy.

6. While physical capital is important for industrial competitiveness, human capital with contemporary skills and competencies for higher value addition is equally essential for ensuring high productivity in the industry. Estimating the future requirements of human capital as well as aligning the educational system to these requirements is equally essential for creating a competitive society and economy. For instance, manufacturing is increasingly becoming technology intensive and therefore, is moving back to developed countries. Equally, the services sector, particularly IT, is gradually becoming non-competitive when compared to Southeast Asian countries like Philippines, Thailand, Vietnam, etc. Therefore, Andhra Pradesh is required to ensure adequate human resources well endowed with the required skill sets – for example, robotics, mechatronics for manufacturing or high-end applications in IT sector.

7. The government recognises the need for developing such a Growth strategy that would require bringing some of the best minds in industry and academia together with the policy practitioners on a common platform for intellectual empowerment and brand building of the State amongst the national and international community. The strategies emerging from the internal analysis as well as external advice will have to be coordinated into the formulation of strategies and policies – relating to industry, tourism, IT, energy, infrastructure, urban development, higher education, health care, skill development, etc., to achieve the above stated goals. Further, there has to be a constant appraisal of the economic situation, the policies and the practice to provide dynamic feedback to the chief executive as well as the executing agencies for appropriate course correction.

(ii) Improving the Investment Climate and shoring up Investor Confidence

8. Investors at all levels look for predictable and stable investment climate and the required support during different phases of project execution. This would require the investors to understand, appreciate and act with clarity to ensure that their business plans are in sync with the economic development strategy of the State and their projects are executed on schedule without delays or roadblocks, so that their investments would yield appreciable returns. At the same time, when investors approach the Government, they should be provided an investor friendly ecosystem though a single institution that coordinates and facilitates every activity, from conception to commissioning of the project.

9. Further, the national and international investors should have the confidence and trust that the process adopted by the Government in giving financial/non-financial incentives and concessions to the investors are uniform, fair and transparent. This also requires a supporting ecosystem to execute projects on time and/or to create marketable products and services to achieve the desired returns in a predictable manner. While many projects can be dealt with under the existing departmental policies, megaprojects, special projects and multi-sector projects will need to be assessed separately, duly adopting a uniform yardstick. This makes it essential to coordinate the policies, programmes and activities of the departments and design project appraisal processes that are uniform, fair, transparent, and above all which stand the international scrutiny norms, through a single institution.

10. Equally important, that while the State is promoting itself for industrial and infrastructural investments, the potential investors should feel confident that the institution dealing with them is adequately influential in determining the nature of support the government can provide for their investments. The feedback from the departments processing the applications as well as from the investors on the policies and processes of the state should be dynamically fed into the governance system for appropriate course correction.

(iii) Mobilizing Internal and External Resources

11. The slow recovery process in the global economic environment has reduced the resources available for the state to invest adequately in both the physical and human capital as well as in contemporary skills, competencies, innovations and technologies for the targeted future growth. This requires the State to attract adequate domestic and international, industrial and infrastructural investments, facilitate attractive rates of return on the investments, and ensure strategic targeting and efficient use of public investments. This mobilization strategy should not only be in sync with departmental strategies, but should also facilitate their active convergence.

12. While industrial projects will mostly be set up by the private sector, the public sector may find difficulty in mobilizing resources to set up adequate infrastructure for the targeted growth. This makes it imperative to adopt the Public Private Partnership (PPP) approach for key infrastructure development. However, investors will be enthused to participate in PPP projects, only if they find prospects of adequate return on their investments. This requires an institutional expertise in balancing the interests of the investor as well as the government, duly ensuring that public resources are used for public good while giving scope for attractive rates of return on investments to the private entities.

13. Additional financial resources will also have to be mobilized from multilateral institutions, institutional investors, and retail investors through instruments such as Non Banking Financial Corporations, Mutual Funds, Units, Bonds, etc. Further, the internal resources have to be enhanced by optimizing the tax base, tax rate, user charges etc., for improving government revenues while ensuring that there are no significant counteracting effects on the economy through deadweight losses. External resources in the form of technologies, management expertise and innovations also need to be mobilized.

(iv) Special Purpose Vehicles for developmental outcomes

14. The Government has embarked on a strategy to set up Special Purpose Vehicles (SPV), for focused developmental outcomes, namely Farmers Empowerment Corporation (Rythu Sadhikara Samstha), Women Empowerment Corporation (Mahila Sadhikara Samstha), Skill Development Corporation, Capital City Services, Smart City Services and customised SPVs for Industrial Corridors, etc. Additional SPVs have to be explored and established to transform Andhra Pradesh as the innovation and entrepreneurship hub and high value skills capital of the country.

15. This strategy requires expertise for developing appropriate structures to maximize developmental outcomes within the available resources. This strategy also requires that some funds be set up for specific purposes like the Viability Gap, Investment Facilitation, Innovation, Project Development, and Capacity Development etc. Specific expertise needs to be developed for mobilizing and managing these funds.

16. All these strategies have to be made operational and monitored with appropriate interventions as needed with an institutional mandate of the Government for achieving sustained high growth trajectory. In this context, it would be helpful to understand if the existing institutional architecture is adequate to handle these functions.

(v) Existing Institutional Framework

17. Although there are different institutions such as Infrastructure Authority, State Investment Promotion Board (SIPB), State Tourism Promotion Board (STPB), Andhra Pradesh Infrastructure Enabling Act, 2011, PPP Cell in Finance Department, AP Invest, INCAP, etc., there are issues of inadequate capacity and weak institutional structures, and sub-optimal integration.

18. Thus there are multiple institutions with limited capacities and limited effectiveness across the departments. Experiences of other globally prominent regions like Singapore show that well-coordinated and focused institution for economic development could be a game-changer. Further Investment Promotion efforts should graduate drastically from facilitating a project and its related permissions to facilitating a conducive economic ecosystem marrying the envisaged investments with infrastructure, skills and financing.

19. The existing institutional architecture of the Government established for investment promotion and industrialisation and accelerated economic growth does not have the structural integration, robustness, operational flexibility, inter-departmental and inter-disciplinary collaborative framework, and above all the capacity to assist the Government in designing strategies for an exponential leap in GSDP growth by facilitating, attracting, and enabling investments, technologies, innovations, knowledge and the resources essential for sustained double digit growth and facilitator monitoring of project execution across the entire ecosystem supporting the timely and effective execution of large projects.

20. The existing system is overly dependent on individual officers, who though extremely competent, do not have the institutional support that is *sine qua non* for realising the ambitious development outcomes the Government has defined for itself, as most of the projects take multiple years for completion usually much longer than the tenure of an officer in charge in that position.

21. The national and international experiences clearly demonstrate that the government departments and the parastatal organisations under their control do not have the elasticity and the latitude for paradigmatic transformation in the growth trajectory. The external consultants and the resource institutions, though valuable in filling the critical capacity gaps in the short-term, do not augur well for the longer haul for reasons fairly well known. This reality has mandated the creation of a robust and vibrant institution with the capacity, competence and credibility required for inspiring confidence amongst the national and international investors, innovators and knowledge-partners whose proactive participation would be essential for sustaining the much desired double digit growth rates.

22. In the above circumstances, Government herby orders to establish an Economic Development Board (EDB). The principal mandate of the EDB would be to actively promote Andhra Pradesh as the ideal destination for investments, facilitate ease of doing business in the state, promote venture funds for encouraging businesses, facilitate financing of major infrastructure projects in the State, raise capital for construction of the new capital city, promote SPVs for projects development, promote entrepreneurship and skill development, facilitate and coordinate the accelerated and inclusive economic development of the State by integrating, facilitating, and capacitating the activities of different departments and parastatal organisations under their control in partnership with the national and international knowledge leaders drawn from the industry, academia, civil society, etc.

(vi) Governing Board of the EDB:

23. The Composition of the Economic Development Board(EDB) shall be as follows.

Chairman	Honourable Chief Minister
Vice- Chairman	Honourable Minister for Finance
Member	Chief Secretary to Government
Member	Honourable Minister for Industries

Member	Special Chief Secretary to Government, Planning Department
Member	Vice-Chairman, AP State Planning Board
Member	Commissioner, APC
Member	Principal Secretary to Government, Finance Department
Member	Principal Secretary to Government, Industries and Commerce Department
Member	Secretary to Government, Infrastructure and Investment Department
Member	Secretary to Government, Tourism Department
Member	Secretary to Government, Information Technology and Communication Department
Member	Principal Secretary to Government, Labour Employment Training and Factories Development Department
Member Convenor	**Chief Executive Officer**
Other Members	Co-opted members from Industry, Retired Public Servants, Academies, Financial Institutions etc.

24. The Governing Board is empowered to take various decisions concerning policy issues and strategic decisions concerning the functioning of the EDB. The Governing Body shall meet from time to time to review functioning of the EDB and give directions to the Board for achieving the objectives.

25. The CEO, may constitute various Committees comprising of official and/or non-official members, from time to time, to carryout various functions of the Board.

26. The Government has, while initiating the process of establishing the APEDB, as appointed Mr. J. Krishna Kishore, a Central Government Officer from the IRS stream on deputation from the central government, as the first CEO of the board. He shall continue to function as the CEO.

27. The Government shall, appoint subsequent Chief Executive Officers of the Board who may be drawn from Government services or from private sector. The CEO thus appointed shall have the requisite experience and qualifications that the government may define from time to time taking into considerations the dynamics of domestic and international economy and changing trends in economic development of the state. The pay structure and allowances of the CEO will be determined by the Governing Board.

(vii) Objectives of the Economic Development Board

28. Primary activities of the Economic Development Board will include the following:

1. Strategic Planning and Policy

1.1. Conducting strategic analysis of national and global development trends and identifying strategies that would facilitate creation and management of an ecosystem for sustainable high growth trajectory.

1.2. Providing a platform for bringing leading national and international business leaders, economists, academicians and knowledge leaders to advise the Government

1.3. Nurturing a Think Tank and creating Knowledge Bank for strategic planning, policy analysis, data analytics and action-research essential for sustaining high rates of growth and successful completion within the committed timelines with focus on investment flows, their efficacy in terms of value addition, employment generation and wealth creation.

1.4. Securing policy and programmatic integration and co-ordinating preparation and prioritisation of pipeline of projects related to economic sector like infrastructure, industrial development, energy, information and communication technologies, tourism, skill development, higher education, technical education etc.,

1.5. Identifying potential sources of financing and facilitate early launch and accelerated execution of projects. Working through various departments, ensure proper timely alignment of state policies with the existing and emerging policies at the centre

2. Investment Promotion & Project Facilitation:

2.1 Facilitating investments in the state by being the one-stop shop and a single point interface for all investors seeking opportunities in Andhra Pradesh and acting as a dynamic interface between the external world of investors and the government agencies and departments.

2.2 Promoting Andhra Pradesh as the ideal investment destination through various means including conducting road shows, meetings, seminars and programmes, advertisement, printing promotional material, dissemination of information etc., in India and abroad, in coordination with the concerned departments.

2.3 Providing hand holding services to the entrepreneurs throughout their investment process in the State, with a view to facilitate ease of doing business in the State.

2.4 Apart from disseminating information through the available channels to the potential investors, the EDB would proactively market projects to investors and facilitate their approval by the regulatory authorities. It will create an internal Investment Friendliness Standard for the departments (along the lines of 'EASE OF DOING BUSINESS'), through a combination of process indicators and investor surveys.

2.5 Entering into memorandum of understanding, agreements etc, on behalf of the Government for promoting investments into the state and for attaining other objectives of the Board.

3. External Engagement with National/International Investors and Other Governments

3.1. Providing one-stop interface for all investors – sector wise & infrastructure wise & a single point interface between investors and the government departments.

3.2. Facilitating the implementation of comprehensive set of measures to improve the ease of doing business with time-bound and transparent resolution of issues during the project execution and commissioning phases.

3.3. Facilitating effective inter-departmental co-ordination for multi-sector investments aiming for higher returns and predictable project completion timelines, including but not limited to industrial corridors, growth nodes, capital city development, etc.

3.4. Catalysing effective knowledge management and technology transfer essential for innovation, entrepreneurial development and economic growth.

3.5. Providing one-stop interface for all external engagements with foreign governments or investment related issues with the Government of India.

3.6. Monitoring priority projects of the Government and provide timely feedback required for corrective action.

4. Project Appraisal

4.1. Creating a robust institutional apparatus that would inspire the confidence of national and international investors through uniform, fair and transparent appraisal and promotion procedures and consistent assessment and support during the execution phases of the projects.

4.2. Identifying priority projects for Public-Private Partnership conduct techno-economic appraisal of major projects and provide appropriate advice to the Government on all aspects of PPP project approval, execution and monitoring.

5. Financial Resource Mobilization

5.1. Mobilize resources (financial, knowledge and intellectual capital) required for sustaining high growth momentum - internal, multilateral bodies, private sector, PPP, institutional and retail investors and diaspora – in alignment with the departmental strategies through various means, including by setting up of Special Purpose Vehicles (SPVs).

5.2. Enabling high-yielding investments and high efficiency levels through synergies and coordination with multiple stakeholders.

5.3. Administering Investment Facilitation Fund; Innovation Fund; Viability Gap Fund; Project Development Fund, Capacity Development Fund etc.

5.4. Mobilising Corporate Social Responsibility (CSR) resources in harmony with the government's overall development strategy.

6. Setting up Special Purpose Vehicles

6.1. Coordinating and facilitating establishment of SPVs involving multi-departmental functions – Industrial corridors, Financial Services, Capital City, Smart Cities, Science Centres, Educational and Research Centres etc., as well as those required for soft infrastructure and ecosystem development.

6.2. Promotion of Venture Funds and other investment strategies to encourage private investments in industrial development and economic activities, either directly or in association with national and international concerns / institutions engaged in operation of venture funds, investment funds and other funds.

7. Incubating and Coordinating Futuristic Initiatives

7.1. Incubating and Coordinating special initiatives which cut-across multiple departments targeting a quantum leap in terms of developmental outcomes.

7.2. Promoting the development of best practices, innovation and State of the art technology in Andhra Pradesh.

7.3. To promote Start Up culture in the Andhra Pradesh. To take measures for encouraging Start Up concerns and provide hand holding to them.

7.4. To develop incubation centres for encouraging the growth of new enterprises in the state.

8. Development of Entrepreneurship and Skill Development:

8.1 Developing entrepreneurship and skill development through various means including establishing institutes of excellence, holding seminars, workshops etc, either directly or in association with other institutions.

8.2 Promotion of mentorship for guiding entrepreneurs, in particular to start ups and young entrepreneurs.

8.3 Promote entrepreneurship, with the vision of developing culture of entrepreneurship on a wide scale in Andhra Pradesh.

9. Any other functions assigned by the Government:

9.1 To carry out any other function as directed by the Government of Andhra Pradesh from time to time, with a view to bring about the accelerated economic development of the State.

(viii) The governance arrangements for the Economic Development Board:

29. In order to empower the Economic Development Board to perform the tasks assigned to it with utmost efficiency and effectiveness, with active participation of multiple key stakeholders, the following robust institutional architecture is ordered.

A. The Governing Council

30. Hon'ble Chief Minister is the Chairman of the Governing Council. The Governing Council is the Principal Governance Body responsible for the overall planning, policy formulation, coordination and monitoring of the activities of the Economic Development Board.

31. **The composition of the Governing Council is:**

1. Hon'ble Chief Minister—Chairman

Members:

2. Hon'ble Minister for Finance and Planning, Commercial Taxes, Legislative Affairs
3. Hon'ble Minister for Industries
4. Hon'ble Minister for Rural Development, Housing, Sanitation;.
5. Hon'ble Minister for Municipal Administration and Urban Development, Urban Water Supply and Urban Planning;
6. Hon'ble Minister for Women Employment, Child Welfare and Disabled & Senior Citizens Welfare, Mines & Geology;
7. Hon'ble Minister for Health and Medical Education;
8. Hon'ble Minister for Social Welfare & Employment, Tribal Welfare & Empowerment;
9. Chief Secretary to Government.
10. Special Chief Secretary to Government, Planning Department.
11. Principal Secretary to Government, Finance Department
12. Principal Secretary to Government, Industries Department.
13. Principal Secretary to Government, MA&UD Department
14. Chief Executive Officer of the Board - Member Convenor.
15. Any other Minister/ Secretary or other person nominated by the Hon'ble Chief Minister.

(ix) The Advisory Council

32. The Advisory Council will provide strategic advice and policy guidance as well as feedback on its performance periodically. Government will issue separate orders for appointment of members to the Advisory Council.

33. The composition of an Advisory Council is:

1. Eminent national and international experts from the industry, infrastructure, IT&C, tourism, energy, etc.;
2. Economists, Development Professionals, etc.

(x) Organisational Structure:

34. The Economic Development Board will have a full-fledged Secretariat with various Divisions that would be responsible for day-to-day management of the Board and for ensuring that the assigned tasks are performed with utmost efficiency. The EDB Secretariat will be headed by a Chief Executive Officer (CEO) who is mandated to form the team to head the individual divisions that may have to be constituted from time to time. The CEO shall also be responsible to select other members of the officers and staff drawn from Government and private sector, through a transparent process, after assessing the suitability of each individual for the desired purpose. The structure of pay, salary, stipend, allowances etc., will be determined by the Governing Board of the EDB, or by any committee authorised by the Governing Body. The rules governing the expenditure of the EDB shall be determined by the Governing Body of the EDB, or by any committee authorised by the Governing Body.

35. The EDB shall initially have the following Divisions, which are subject to change, depending on the requirements, from time to time:

a) Strategic Planning and Policy Division
b) Investment Promotion & Project Facilitation Division
c) External Engagement Division
d) Public-Private Partnership Division
e) Resource Mobilization Division
f) Division for Promotion of Special Purpose Vehicles
g) Policy Science Lab for Handling Futuristic Initiatives

(xi) Responsibilities of the Divisions

i. Strategic Planning and Policy Division

36. The Strategic Planning and Policy Division will be the Think-Tank responsible for strategic analysis of national and global growth trends in the short, medium and long term and to identify opportunities and options for creating sustainable growth trajectory for transformation of Andhra Pradesh to Trillion Dollar economy by 2040 AD. In this endeavour, it would network with national and global think tanks, industry and infrastructure leaders, universities, Government of India, other State Governments and provide leadership for creating an ecosystem for ease of doing business and professional excellence that would engender pro-growth policies across the Government departments based on evidence and fortified with national and international best practices.

37. This Division will also prepare strategies and plans for improved industrial competitiveness, increased infrastructure utilisation, development of skilled human resources, and prepare a shelf of projects duly prioritised for targeted investment. This

Division will conduct comparative analysis of policies and strategies from across the nation and the world and identify best practices, knowledge, and technologies and disseminate them across the client spectrum. This division will be responsible for multi-departmental policy coordination and dynamic feedback to the Government for policy review and realignment. It will provide in-house consultancy services to Departments – strategic planning, capacity development, policy advisory services, etc. In the long run, this Division will evolve to be a commercial arm of EDB that would provide knowledge-centred value-added services to internal and external clients akin to Singapore's Cooperation Enterprise (SCE) and the European PPP Expertise Centre (EPEC) or the World Bank's PPP Infrastructure Resource Centre.

38. The Division will assist in crafting development strategies and policies through macro-economic modelling, action research analytics; collate the knowledge, best practices and development innovations of the State Government, national and international. Working in close collaboration with the Planning Department, this Division will also assist the government in the design and review of multi-sector and multi-departmental development strategies.

ii. Investment Promotion & Project Facilitation Division

(a) The Investment Promotion & Project Facilitation Division will be the one-stop shop and a single point interface for all investors seeking opportunities in Andhra Pradesh.
(b) The division shall employ/engage best-in-class people to build a robust framework for facilitation of 'Ease of Doing Business' in Andhra Pradesh. The division shall prepare project reports/profiles for investment opportunities in the state.
(c) The division shall actively promote Andhra Pradesh as the ideal investment destination through various means including conducting road shows, meetings, seminars and programmes, advertisement, printing promotional material, dissemination of information etc., in India and abroad, in coordination with the concerned departments of the State Government.
(d) The investment promotion activities of the State including Sunrise AP etc, shall be merged with this division of the EDB.
(e) The Division shall take effective measures for providing hand holding services to the entrepreneurs throughout their investment process in the State, with a view to facilitate ease of doing business in the State.

iii. External Engagement Division

(a) The External Engagement Division will be the one-stop shop and a single point interface for all investors seeking opportunities in Andhra Pradesh and for collaborations with other governments.
(b) Apart from disseminating information through all available channels to the potential investors, it would also proactively market projects to investors, and facilitate their approval by the regulatory authorities. It will create an internal Investment Friendliness Standard for the departments (along the lines of 'Ease of Doing Business') through a combination of process indicators and investor surveys.
(c) The Division will also set up international desks as the need arises. These desks will not only promote investment in the state, but also promote exports from the state to other States / countries. Additionally these desks will take care of external engagement with foreign countries as deemed necessary.

iv. Public – Private Partnership Division

(a) The Public-Private Partnership Division will be responsible for the appraisal of techno-economic feasibility and viability of public-private partnership projects. It will conduct social and financial cost benefit analysis, sensitivity analysis and value for money analysis. It will assess the PPP structuring and the funding provisions and shall submit its findings to the State Government along with the recommendation for viability gap funding (VGF).
(b) It will also undertake appraisal of incentive structure proposed by departments to industrial projects, which are mega projects that fall beyond the ambit of sector wise policies. Procurement specialists, economists, contract management experts and legal experts will staff the PPP Division.

v. Resource Mobilisation Division

Resource Mobilization and Fund Management Division will be responsible for both strategic as well operational dynamics relating to increasing internal resources (tax and non-tax reform, user charges, etc.); mobilising central government resources; mobilising grant and loan financing multilateral and bilateral international development agencies; and leveraging resources through securitisation, guarantees, mutual funds, bonds, etc. This division will also administer the Investment Facilitation Fund; Innovation Fund; Viability Gap Fund; Project Development Fund, Capacity Development Fund etc.

a) Investment Facilitation Fund: This fund will be used to organize road shows in India and abroad, investment summits, overseas business development visits, consultation sessions with industry etc., and prepare marketing material such as documentaries, brochures etc.

b) Capacity Development Fund: This fund will be used to organize workshops related to economic development, PPPs, training programmes in India and abroad namely macroeconomic analyses, transaction advisory activities, evaluation of financial instruments, setting up library and purchasing relevant material and instituting measurement systems for economic indicators of different economic departments.

c) Project Development Fund: This fund will be used to do a preliminary socio-economic analyses of identified projects to aid in project prioritisation – feasibility analysis, environmental assessment, legal reviews, demand assessment, the public's capacity/willingness to pay etc.

d) Viability Gap Fund: This fund will be used to bridge the funding gap for projects which are prioritized by the Government and which may not take-off unless there is ample financial support from the Government.

e) Innovation Fund: This fund will be primarily used for innovative enterprises, mostly focused on entrepreneurial ideas that could be trendsetters. EDB could participate in these ventures by buying equity and these investments would be managed through a separate SPV.

vi. Special Purpose Vehicles Division

The Special Purpose Vehicle Division will be responsible for the conception, planning, securing the approval of the competent authority and establishing the Special Purpose Vehicle for the purpose of delivering citizen

services, skill development, financial services, resource mobilisation, smart cities, new capital city, management of industrial corridor, etc. While this division will assist the departments in structuring and setting up of SPVs, it will also coordinate the functioning of SPVs that cut across multiple departments. Departmental SPVs will be entirely managed by the respective departments of the Government. This Division will also be responsible for promotion of Venture funds and other investment strategies to encourage private investments in industrial development and economic activities.

vii. Policy Science Lab

This Lab will be responsible for incubating and coordinating the implementation of special initiatives, which cut-across multiple departments targeting a quantum leap in terms of developmental outcomes, as deemed necessary by the Government. This lab will seek to develop state of the art practices, innovative methods and strategies which will place Andhra Pradesh on the fore font of technology.

viii. Entrepreneurship Development Division

This Division shall be responsible for actively promoting the culture of entrepreneurship and skill development through various means including establishing institutes of excellence, holding seminars, workshops etc. The Division shall seek to translate into reality, the vision of the Hon'ble Chief Minister to develop entrepreneurship in the State, on a wide scale. The Division shall also promote mentorship for guiding entrepreneurs, in particular for start ups and young entrepreneurs.

39. The Board will draw its staff from the Government as well as the private sector through a transparent competitive process and will offer performance-linked remuneration in sync with the market. Detailed staffing and human resources policy will be determined by the Governing board. The EDB shall adopt the best practices across the globe in terms of its standard operating procedures (SOPs), human resources, procurement, financial management, information technology, and administrative processes.

40. The existing PPP cell in Finance Department will be merged with the PPP Division of the EDB that will be responsible for the project appraisal functions. The AP Invest, Sunrise AP and other departments/bodies/organisations which are involved in similar activities assigned to EDB will also be merged and brought under the aegis of EDB. This will also include SIPB, STPB, Infrastructure Authority and Andhra Pradesh Infrastructure Enabling Act, 2011.

(viii) Set up and funding of EDB

41. The Government initially provided an initial grant of an amount of Rs 10 crores in Finance Department under the Head of Account MH 2052 Secretariat General Services MH 090 Secretariat SH (33) Economic Development Board 310-Grants-in-Aid/312 Other Grants-in-Aid to meet the expenditure. The EDB shall function under General Administration Department. The funds relating to EDB shall be administered by it, as per its internal rules and regulations. The Board will administer the grants earmarked for investment facilitation, project development and viability gap financing. The Funds required for administration of the EDB shall be provided by the Government from time to time, on priority, keeping in view the importance of investment promotion for economic development of the State. The EDB shall also be permitted charge appropriate fees for

consultancy services and other promotional services provided to the Government and other entities, in addition to need based non lapsable grants that the state Government shall sanction from time to time. The EDB shall not be required to take approval from the Government for financial expenditure incurred for carrying out its activities, including travel, payment of salaries and allowances, opening and maintenance of offices and other expenditure connected with its functioning.

(ix) Offices and Desks of the EDB:

42. Principal office of the EDB shall be in the state capital (an interim office may be established in Vijayawada until the EDB is allotted a permanent structure in the capital). The EDB shall have office at New Delhi, Hyderabad, Bangalore, Mumbai and other places in India, as per requirement. The EDB shall also have desks in CMO and Andhra Pradesh Bhawan at New Delhi. The EDB shall also set international offices / desks as and when the need arises, in all principal economic centres of the world. These offices / desks will not only promote investments in the state, but also promote exports from the state to other states/countries.

43. The proposal for establishing the Andhra Pradesh Economic Development Board through legislation will be examined separately to:

(a) provide statutory status to the institution that is expected to be the principal driver for accelerated economic development;

(b) Provide confidence to investors as well as financiers in the institutionalised process for economic development;

(c) Empower the review and approval procedures; and

(d) Minimize the potential for litigation.

SATYA PRAKASH TUCKER
CHIEF SECRETARY TO GOVERNMENT

//ATTESTED//

SECTION OFFICER (SC)